

Prime Minister².

I have asked & asked

SIR PETER SMITHERS 6911-VICO MORCOTE *before date reply*
SWITZERLAND *after the Ridley's lunch with*
Telephone:- (091) 69-19-73 *the Baroness this weekend.*

13th April 1988.

Dear Margaret,

you will be wondering what is going on in Madrid with regard to the Thyssen Collection following your talk with Heinie! I see the position as follows:-

Power to sign a definitive agreement lies with the independent Trustees of the Collection. It is their duty to assure its long-term future. All three are lawyers: British (Chairman), Swiss and Luxembourgeois. They are known to be strongly opposed to the idea of Madrid, for convincing reasons. A British offer would be welcome to them not only on its merits but also as an escape from Spain.

The agreement signed in Madrid, under pressure no doubt from the Baroness and the Spanish Government, is an attempt to pre-empt a British offer. It is an agreement to seek to obtain the agreement of the Trustees to something more definite. Probably knowing the views of the Trustees the Spaniards had no other card to play, and it is a bluff seeking to scare off H.M.G.. It was their only hope!

In Madrid Heinie was surprised by a carefully staged barrage of publicity designed to put him in a position from which it would be difficult to withdraw. The Spaniards went to extraordinary lengths to do this, and to give the impression that there was a de facto agreement. It is within the power of the Trustees to extract him from this situation, and to provide him with an alibi for the Baroness, if they have a firm and attractive British alternative before them.

Heinie categorically stated that he would welcome a British offer, and I believe this to have been sincere. His statement that a final decision was not imminent was true! It would be quite wrong to go back on our promise to submit a firm offer in the near future, or to throw in our hand when we hold the best cards.

Handling Heinie is a delicate matter in view of the position of the Baroness and of his own personality. Though he is not the ultimate decisive factor, he is a very important part of the act. Claude Hanks-Drielsma has handled him with the greatest skill up to this point. It is important not to make any false step now. This is such a glittering prize for Britain that we must not lose heart or make mistakes.

Yours ever
Peter
Peter Smithers.

The Rt. Hon. Margaret Thatcher, P.C., M.P.



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From the Private Secretary

Adc | 13 April 1988

I attach a further letter from Sir Peter Smithers to the Prime Minister about the Thyssen Collection. I should be grateful for a draft reply in due course, but it may be better not to prepare this until after the meeting which I understand is to take place this weekend between Baron Thyssen and Mr. Ridley.

I am copying this letter to Roger Bright (Department of the Environment) for information.

(P.A. BEARPARK)

Miss E.M. Goodison,
Office of the Minister for the Arts.

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